

**MANPOWER UTILIZATION - JOB SECURITY  
IN THE LONGSHORE INDUSTRY**

**PORT OF NEW ORLEANS**

**Report and Findings  
of the  
Department of Labor**



**U.S. DEPARTMENT OF LABOR  
WASHINGTON, D. C.  
JULY 1964**

MANPOWER UTILIZATION - JOB SECURITY  
IN THE LONGSHORE INDUSTRY  
PORT OF NEW ORLEANS

Report and Findings of the  
Department of Labor

INTRODUCTION

The review by the Department of Labor of manpower utilization and job security problems affecting the longshore industry in various Atlantic and Gulf Coast Ports is the result of recommendations made by a special board in January 1963. <sup>1/</sup> As part of the settlement of the issues in dispute, the parties in each port agreed to a comprehensive study of manpower utilization - job security and all other

---

<sup>1/</sup> On January 16, 1963, President Kennedy appointed a special board composed of Senator Wayne Morse, Chairman, Theodore W. Kheel, and James J. Healy, to mediate a work stoppage affecting the Atlantic and Gulf Coast longshore industry. As part of a recommended basis for settlement, the Board proposed that a study be made by the Department of Labor. On January 20, 1963, the New York Shipping Association and the International Longshoremen's Association signed a Memorandum of Settlement agreeing to the proposed study. Subsequently, similar agreements, providing for a Departmental study, were entered into in most of the other Atlantic and Gulf Coast Ports.

related factors which affect the longshore industry. This report is one of a series which will cover the ten ports selected for inclusion in the study.

In determining the scope of the study, the Department of Labor was guided primarily by the terms of the agreements reached in the various ports. A major portion of the review for each port consisted of a detailed analysis of manning requirements and work practices at a number of general cargo and bulk commodity piers. This analysis included (1) actual observations of cargo loading and unloading and terminal operations, and (2) extensive interviews with management and union representatives.

By combining an analysis of these observations and interviews with basic factual data developed in the course of the study, the Department has sought to bring into focus the major problem areas, and to make evident to the parties possible alternative routes by which they themselves can reach the best mutual accommodation.

The study was not designed to produce an engineering "time and motion" type analysis of work requirements in the longshore industry. Nor was it intended to be the



final word on manning patterns. It was intended rather to develop a fuller understanding of the problems that exist for both management and labor in the areas of manpower utilization and job security.

Following completion of the study phase of the project, a series of joint meetings were held with the parties from each port. At these meetings, the Department supplied to the parties details of the information collected in the study. The principal areas of review in each port included: (1) a statistical analysis of the characteristics of the longshore labor force; (2) the hiring practices in the port and their relationship to seniority; (3) customs and practices affecting manpower utilization; (4) workforce flexibility and manning requirements; (5) job security; (6) suggestions of both parties, obtained in interviews, for changes in existing practices; (7) observations conducted at the piers during the study; and, (8) impending future technological changes in the industry and their potential impact on manpower needs.

The report for each port constitutes the culmination

of these meetings. The purpose of the separate port reports, rather than to provide a summary of data, is to highlight the significant features which were brought out in the joint meetings and to give to the parties a broad perspective as a basis for their coming negotiations.

The first report issued contained the findings of the Department for the Port of New York. These findings could be divided into two general categories, (1) those which applied specifically to the current situation in the Port of New York, and (2) general findings relating to the industry, which included an analysis of certain basic problems characteristic of longshoring, an examination of their causes, and a review of possible alternative routes to their solution.

In order to facilitate review, the format for the findings for all of the remaining nine ports makes a clear division between these two categories. Under the heading, General Findings - Part I, the report reviews basic information and observations characteristic of the industry as a whole. This category applies to a greater or lesser extent

to all ports included in the study and is, therefore, the same in each report.

The specific characteristics, problems, and findings for the individual port to which the report is addressed are contained in Part II. It should be made clear, however, that the general findings although identical in each report, are essential background information for evaluation of the special concerns of each individual port.

## PART I

### GENERAL FINDINGS

It is essential, if this study is to serve its purpose, that the parties accept two guiding considerations as a framework within which to approach their problems.

The first of these is that the basic concerns of both parties are, in fact, opposite facets of the same problem. Manpower utilization and job security were not bracketed together in this study merely by chance. They belong together. Neither can be resolved without an accompanying adjustment in the other. For this reason, it becomes



important that the union should recognize and understand the economic and competitive problems that exist for management when the services of employees cannot be utilized productively. If the excessive costs brought about by such a situation continue too long, the result will inevitably be a decline in the competitive position of an individual pier, the port, or the industry as a whole. It is equally important that management should recognize, and should share, the union's concern for the welfare of the men employed in the industry. A man's job is his lifeline. For those men who have served a substantial part of their lives in an industry, equity imposes an obligation upon that industry to provide some protection when changed operations reduce employment opportunities or eliminate jobs. This is a principle which is today generally recognized and accepted throughout American industry.

The second consideration is timing. There is an opportunity in these negotiations, in part through the data gathered in this study, for the parties to examine the entire scope of their problems and to understand their

interrelationships. Such opportunities are rare. Since this is so, there could be great value to both sides in using this foundation to develop machinery for the solution of their mutual problems in the years ahead. Clearly it is unrealistic to expect that all details could be finally resolved in the coming negotiations. However, agreement in principle and the implementation of appropriate machinery leading to ultimate solutions are possible.

If both parties would approach bargaining with a recognition of (1) the broad scope of the problems facing the industry; (2) the interlocking aspects of possible solutions; (3) the need to provide a succession of steps over a period of time to reach desired goals without sudden disruptions; and (4) the responsibility of both parties to plan for adjustment to changing conditions, then these negotiations could provide for definite initial actions and create a framework for agreement on basic principles for future measures.

#### Nature of the Longshore Workforce

Historically, employment in the longshore industry has



been casual and irregular. Job opportunities vary widely from day to day in each port, or in specific sections of larger ports, based upon ship arrivals and departures. Shipping schedules over which longshoremen as well as their employing stevedores have no control cause employment peaks at certain times in the workweek, and little activity in others. Some ports are subject to seasonal fluctuations in activity (e.g. ports handling large quantities of particular agricultural products).

Study by the Department of Labor confirmed, due to the foregoing considerations and other factors, the casual nature of longshore employment. While the degree of casualness varies from one port to another, every port studied (with the exception of New York) has a considerably larger workforce than would be required even to meet peak demands. In some ports the total number of men who have some employment attachment in the industry is twice as high as the number of employees needed for a typical workday.

The effects of a casual longshore workforce are two-fold. First, an excess number of available workers, who may be hired with little regard to industry attachment, siphon off employment opportunities which could otherwise accrue to the more basic workforce which looks to longshoring as their principal means of employment. Secondly, hiring from the casual ranks could affect both manpower utilization and productivity through the employment of individuals who have little longshoring skill and who look to the industry only as an incidental means of employment.

The basic workforce of the industry - those men who depend upon longshoring for a livelihood - is generally considered by the industry itself to include those employees who work a sufficient number of hours to qualify for certain contractual benefits, such as pension and welfare payments. Although variations exist among the ports, the usual work requirement for pension benefits is either 700 or 800 hours a year. In nearly all of the ten ports studied, the basic workforce, by this definition, is less than half the

total number of men hired in the year. In four ports more than three-quarters of the workforce were employed less than 700 hours during the year. In nearly all of the ports studied the "under 100 hours" group - which would be considered "casual" by any definition - constitutes from one-third to over half of the workforce. By way of contrast, in the Port of New York, which has an established decasualization program, over one-half of the employees work more than 1,600 hours a year; over four-fifths of the employees work more than 700 hours a year; and the completely casual employees (working less than 100 hours) now represent only about 7 percent of all employees.

The Department's analysis makes obvious the need for most Atlantic and Gulf Coast ports to develop some techniques by which a sufficient workforce will be available to meet the manpower needs of the industry, but which will also afford a reasonable degree of employment opportunity to those employees who look to the industry as their principal means of livelihood.



Hiring and Seniority

The principal means employed by industry generally to assure an adequate, skilled workforce capable of meeting employment demands is achieved through the operation of the hiring and seniority system. The Port of New York, as well as major ports in Western Europe, furnish ample evidence that suitable arrangements can be made in the longshore industry (notwithstanding its unique problems) to develop hiring and seniority arrangements which protect the interests of the basic, long-service workforce and at the same time assure an adequate supply of workers to meet fluctuating employment demands. During the past ten years the workforce in the Port of New York has changed from one of casual employment to one of relative stability, largely through changes in the hiring system. Since 1953 a register of longshore workers has been maintained by the Waterfront Commission of New York Harbor, a bi-state agency established by the governments of New York and New Jersey. Only men who are registered with the Commission may now be employed on the waterfront. The Commission also administers

a decasualization program which removes from the register those workers who fail to meet fixed minimum work requirements during a given period. This program has reduced the supply of labor to levels more closely related to demand.

An accompanying development in New York has been the establishment of a meaningful seniority system. In New York, the hiring traditions developed over the years coupled with the extent and size of the port layout prompted the parties to establish a dual seniority system which is a combination of pier attachment and length of continuous service. From time to time the system has been modified to meet changing needs and to better serve the interests of the parties. However, the end result of the interaction of the decasualization program and seniority system has been to provide a more balanced workforce and to assure a high level of available work time to longer service employees.

New York is not alone in developing constructive hiring and seniority arrangements. A number of the principal ports in Western Europe, including London, Liverpool,

Marseilles, and Rotterdam, have developed, either through government administration and supervision or by the employer and worker representatives, arrangements designed to stabilize the workforce and earnings in the industry.<sup>1/</sup>

The hiring controls in New York, and in some of the European ports mentioned, are government operated and, therefore, are not directly applicable to other ports studied by the Department. A solution to the problem of excess labor supply, however, is an essential preliminary to the resolution of other problems. Both labor and management have a primary interest in reaching an agreement on procedures to reduce the present spread between employment needs and the number of men who are seeking work in the industry. Unless the workforce is stabilized, there can be no progress toward establishing reasonable job security or eliminating certain manpower utilization problems.

Control of the labor force and improvement in the employment opportunities of the basic workforce generally are exercised through the hiring and seniority system. The

---

<sup>1/</sup> Vernon H. Jensen, Hiring of Dock Workers (Cambridge: Harvard University Press, 1964).



means to accomplish such control vary, and procedures which may be appropriate to one port will not necessarily function well in another. Any decasualization and seniority system should be adapted to meet the particular problems of the port. Further, it is a corollary requirement to any plan to reduce surplus manpower that, as stability is achieved for the remaining workers and job opportunities become more attractive to outside employees, controls should be retained to prevent the return of a labor surplus problem. To maintain an adequate workforce, however, provision must also be made for orderly entrance of new employees into the industry, from time to time, to meet future needs.

#### Technological Outlook

The source of some of the major problems of manpower utilization and job security in the longshore industry can be found, to a great extent, in its changing technology. With new cargo handling methods less manpower is required. This causes management to seek a reduction in the number of its employees, and, on the other hand, creates a union

reaction to preserve the jobs that exist and, further, to increase the number of rules requiring limitations on assignments.

This situation has resulted in the conflicting points of view expressed in management's concern that they could be required to employ unnecessary or surplus men, and the union's efforts to maintain existing jobs for its members despite changing conditions and needs. The major efforts of the study have, therefore, been concentrated on a detailed examination of the problem brought about by technological changes and possible routes toward its resolution. This fundamental problem is intensified in the long-shore industry by two additional factors: (1) management must cope with wide variations in work activity, and consequently in manpower requirements; and (2) the employees generally have very tenuous attachment to their jobs, usually limited to a four or eight-hour guarantee.

Some technological changes have only limited effects on manpower, and adjustments to them can be made without eliminating jobs. Others have drastic effects. The most

clear-cut and dramatic evidence of the impact of technology on manning requirements appears in recent changes that have taken place in bulk handling of single commodity cargo.

For example, in bulk sugar operations, because of reductions in gang size as well as in the total number of gangs used, employment has dropped to about one-third of the levels formerly required to handle bagged sugar. Moreover, each advance in technology in these specialized operations tends to decrease further the need for men or to create surplus manpower even in currently reduced gangs.

Despite reductions in the number of men employed and in total manhours worked on many bulk cargo piers, management in some cases is still unable to utilize fully all the men if minimum gangs are required by contract.

Although general cargo operations do not lend themselves to mechanized processes as readily as does single commodity handling, changes at the bulk cargo piers and their effect on manning needs provide insight into the concerns of both parties over current manning practices and the impact of future developments on the general cargo



piers. Technological advances affecting general cargo handling are being introduced. Recognizing this, management is seeking to modify longstanding manpower practices that could grow increasingly unrealistic over the years. The union, observing declining manpower needs and reduced job opportunities has attempted to strengthen means by which existing jobs can be preserved.

The nature of the technological changes taking place in the longshore industry are varied. Although some changes will affect certain ports more than others because of differences in physical layout, commodity mix, and specialized operations, the technological changes now being introduced into the industry carry implications for future manpower needs in each port.

New methods of packaging cargo, either in containers or strapped to pallets, have already begun to raise important questions of manpower needs. Most general cargo piers now handle very limited amounts of this type of cargo. It is already clear, however, that unitized cargo, whether on pallets or in containers, can usually be loaded or discharged

from a ship in much less time, and by substantially fewer men, than general break-bulk cargo under present handling methods.

The potential for containerized cargo appears to be much greater for domestic than for foreign trade. Fully profitable container operations on any trade route usually need a considerable amount of containerized cargo at both ends of the run. Also, such cargo should be concentrated in a few ports. Usually these conditions are more readily found in domestic than in foreign trade. Where specialized container operations exist there have been substantial reductions in ship loading and unloading time as well as in manpower requirements.

Generally, however, it is anticipated that the growth of container operations will be relatively slow. Among the factors limiting the prospect of a rapid increase in containerization are the high initial costs of building specialized ships, the difficulty of handling containers on most conventional ships, the cost of container units, and the loss involved in using stowage space to return

empty containers when trade is not balanced in both directions.

Future prospects for the use of pre-palletized cargo, on the other hand, are considered very favorable. One advantage is that pallets are inexpensive units which require a smaller initial investment compared to containers. Maintenance and replacement expenses are also lower for pallets than for containers.

Because of the smaller size and cube of a pre-palletized unit, as compared to a container, it is more easily handled by conventional mechanical equipment existing on the piers and ships. Pre-palletized units can be stowed in the hold of a conventional ship more efficiently and in a manner to minimize loss of hold space. Further, empty pallets do not require nearly as much hold space nor do they weigh as much as empty containers. This can be an important advantage when trade is not balanced in both directions and pallets or containers must be returned empty.

Terminal construction affects manpower utilization and, cumulatively, manpower requirements. Piers are being



specially designed to expedite the handling of cargo: large storage and parking areas are provided to facilitate truck movements, special facilities are constructed to handle container operations, buildings are designed to provide faster and more direct movement of cargo through the terminal.

Ship construction is undergoing similar developments. Some ships have been constructed, or converted, to carry only containers, others to handle one type of cargo exclusively. On general cargo ships, ports and hatches are being redesigned, with regard to location, size, and shape. Semi-automatic and automatic hatch covers are being installed. Winch controls are being placed closer together to enable operation by only one man. All of these shipside changes, taken together, are affecting manpower requirements.

The foregoing merely serves to highlight the potential for technological change in the longshore industry and to suggest the implications of such changes on future manpower needs. Developments of this nature are not peculiar to the

longshore industry. American industry generally, almost without exception, is experiencing similar changes and the problems associated with them. If the experiences of others can serve as a guide, however, it appears highly desirable -- indeed essential -- that both labor and management anticipate and jointly plan in advance to minimize any potential adverse effects upon workers from these emerging technological changes.

Technological change is inherent in industrial progress. It must be accepted as a fundamental premise that management should be free to improve equipment, to develop more efficient methods, and to maintain its operations in a manner which will keep it competitive with other segments of the industry and with other means of transportation.

Equally fundamental is acceptance of the premise that the cost of technological change shall not rest entirely upon the employees in the industry.

These two principles create the framework within which the parties can adjust to changing conditions in the industry as they occur.

Job Security

The steady decline in total manhours of work as technological and other changes have occurred in the industry, has brought a union reaction to resist change, to hold to restrictions on jobs which have developed through past practices, and to seek new measures of job security. It has been noted previously that job security in this industry is minimal. A longshore worker, with few exceptions, is hired when his services are needed, for four hours or for eight hours. He has no further guarantee of employment. While it is recognized that some men may work as regularly as men in industry generally, there is no formal commitment of continuing employment.

Various approaches have been used to increase job security. One of these has been the union's insistence on maintaining gang size and existing job assignments under all circumstances.

A number of other approaches to job security have been adopted in other industries to protect employees when changed operating conditions reduce job opportunities. Some of these



have involved broader guarantees, either of work opportunities or earnings; others have involved control of the size of the workforce; and still others have been concerned with protection for men whose jobs are eliminated and who must be laid off.

Provisions to increase security may call for a system of minimum guarantees, either for a basic workweek or longer for regular employees. Frequently, measures to divide the available work among regular employees through a "share-the-work" or equalization-of-earnings plan may be included with these guarantees.

To avoid the need for direct layoffs, action could be taken to limit the intake of new men into the basic workforce if the industry's job requirements were to decline in the future. Approaching the same objective from a different point, an early retirement plan could be developed. By combining these two devices to reduce the workforce, attrition alone might be adequate to adjust the size of the workforce to meet reduced work opportunities if cargo-handling methods change.

If major innovations are to be introduced in the future, the union should be given sufficient advance notice to permit the development of joint labor-management plans for protection of the men whose jobs would be eliminated. These plans could include retraining for the men in the basic workforce, either to operate the new equipment and avoid layoff, or to help them establish themselves in another industry. In addition, many industries provide severance pay when regular employees lose their jobs due to changed operations.

As suggested earlier, the development of a seniority system also can contribute to increased job security. In most industries, seniority is the primary factor in job security. Seniority, or the employee's length of continuous service, is generally a basic consideration in layoffs and rehiring, in promotions and transfers. There is widespread agreement between management and labor that as a matter of equity long-service employees are entitled to a greater degree of job security than are recently employed men. For this reason, most labor agreements contain

seniority provisions to establish a measure of job security and to define its application under particular circumstances.

Seniority provisions vary and, in each instance, must be tailored to meet the needs and characteristics of the industry. A seniority system that functions well in a manufacturing plant may not serve at all in the longshore industry. In the few ports where the seniority principle has been recognized, it is applied to the hiring procedures. In this industry, where men are rehired daily, job security becomes largely a matter of a man's place on the scale of hiring priorities and the frequency of work opportunity that priority gives him.

Each advance that is made toward reducing the excess number of men in the workforce and toward developing an improved hiring and seniority system enhances that job security.



## ERRATA

Change the first sentence, Page 26, of the Department of Labor's Report and Findings of Manpower Utilization and Job Security in the Port of New Orleans to read as follows:

"General cargo tonnage in the Port of New Orleans during the past ten years has ranged between a high of about 5.2 million tons in 1957, and a low of about 3.8 million tons in 1959, with the peak years generally being associated with good agricultural years, especially in cotton production."

The erroneous figures initially given represented only the import tonnage and did not include tonnage handled for export.

PART II

PORT OF NEW ORLEANS

LABOR FORCE CHARACTERISTICS

General cargo tonnage in the Port of New Orleans during the past seven years has ranged between a high of about 1.7 million tons in 1960, and a low of about 1.2 million tons in 1961, with the peak years generally being associated with good agricultural years, especially in cotton production. However, the total number of hours worked annually by longshore employees during that period has declined steadily. In contract year 1962-63, total hours of employment were about 27 percent below the number worked in 1956-57. During the same seven-year period, the number of men employed as longshore workers ranged between about 11,500 and 15,500 annually. Weekly employment requirements of the port, based on the total number of men hired, most frequently range between 6,000 and 6,200 employees and only rarely provide work for as many as 7,000 men. Thus, the total number of men in the

workforce is almost double the number of jobs available in a normal workweek.

This large surplus of labor reflects the completely casual nature of longshore employment in New Orleans. Further, this labor surplus is a principal cause of many of the manpower utilization - job security problems in the port.

The following table shows the extent to which the workforce has been comprised of casual employees:

Proportion of Longshore Workforce by Hours Worked

Contract Year	Total Longshore Employment	Percent of Employees Working:		
		Less Than 100 Hours	100-799 Hours	800 Hours Or More
1956-57	15,486	39.0	17.1	43.9
1957-58	10,085	29.6	17.1	53.3
1958-59	12,198	30.6	18.3	51.1
1959-60	14,306	39.1	18.8	42.1
1960-61	12,224	34.6	19.5	45.9
1961-62	11,668	33.7	18.4	47.9
1962-63 <u>1/</u>	13,226	44.2	16.2	39.6

1/ The 1962-63 contract year covers only New Orleans, while other years include New Orleans and Baton Rouge.

As the table indicates, about one-third of the men employed in the industry during each year work less than



100 hours annually. More than 50 percent of the total workforce normally work less than 800 hours per year; in only two of the past seven years has the basic workforce of the industry (the men who worked 800 hours or more) comprised as much as one-half of the total number employed. In contract year 1962-63, only seven percent of longshore employees worked more than 1,600 hours, the minimum number of hours which could be considered as approaching full-time employment.

Casual workers, those employed less than 800 hours a year, accounted for only 12 percent of the total hours of employment in the port during contract year 1962-63. However, these casual workers constituted 60 percent of all longshore employees in that year.

Clearly there is an urgent need for the parties in New Orleans to develop a more stabilized workforce. Under present conditions, large numbers of men seeking work from day to day inevitably fail to obtain employment.

In the past there have been little if any statistical data on employment available for use in the Port of New

Orleans. The data collected in the study have served to highlight the extremely casual nature of the workforce. Currently there is a centralized payroll system which could serve as the basis for accumulating further data concerning the workforce. In addition, a more substantial statistical program would enable the parties in the future to diagnose some of their problems before they become acute.

#### HIRING PRACTICES

In large measure, present hiring practices foster the casual nature of the longshore labor force in this port. New Orleans probably is the only major port which still has a "shapeup." Twice daily, at 7:00 a.m. and 5:00 p.m., seven days a week, longshoremen report to a central hiring point to seek employment for that day. A small number of men in the various longshore occupations are employed on a regular basis in the terminals. Clerks and checkers are hired through the union local. Men in the other occupations may be hired either through the union local or at the shapeup.

At the shapeup, gang foremen, who are attached to one of the stevedoring companies, hire the longshoremen they will need for the day. As a matter of long-established practice, foremen hire those men who are in their regular gang, (some foremen carry two gangs). If the foreman needs replacements for absentees or needs waterboys, sack-sewers, sweepers, or other additional men, he hires them from among the men assembled at the hiring area. In some cases, preference in hiring as replacements or extra men is given to either regular gang followers or to members of other unemployed gangs. If a worker leaves a foreman's regular gang, however, the foreman has wide discretion in replacing him. There is no obligation to hire a senior man who has spent many years in the industry. Since experience or length of service do not establish employment preference, employment opportunities are as uncertain for senior employees as they are for men new to the industry.

The shapeup as a method of hiring longshoremen means that employers have no fixed workforce. The foreman



is the only link between the longshoremen and their jobs. Since the men look to their particular foreman for employment, they insist on maintaining rules which restrict reassignment of men from gang to gang or from hatch to hatch, unless they remain with the same foreman. If greater job security could be established and the men were not solely dependent on a specific foreman for an opportunity to work, these limitations on transfer would no longer be necessary. As it is, they are not likely to be discontinued. Further, as long as the present system of hiring through the open shapeup continues, many of the problems of manpower utilization, as well as of job security, may be expected to remain unresolved.

Inherent in the open shape at a central location, however, is the elimination of any problem of absenteeism. Sufficient replacements are available daily to be hired and the one-hour delay between the shapeup and the start of work assures the employer of a full gang.

There is one notable exception within the Port of New Orleans to the generally casual method of hiring.

Several years ago two principal fruit companies and the locals representing banana handlers established, by joint agreement, a register of employees grouped according to the regularity with which they had worked for the companies. Men on the regular list are hired first, then men on the extra list, and finally the additional men, who have worked only irregularly, are hired. The lists are revised quarterly, and men who fail to make themselves available for work for at least 80 percent of the boats in that quarter are dropped from the regular list and placed on the casual list. Records are kept of the men who report but are not hired. In addition, valid excuses for missing work are accepted. Replacements move up from the lowest priority list to the extra list and then to the regular list on the basis of regularity in reporting. If regularity is equal, seniority governs. All questions regarding the status of individuals, if management and union representatives disagree, are referred to a special joint labor relations committee, whose decision is binding. In the case of committee

disagreement, the matter is decided through arbitration.

The obvious need to decasualize employment in the port may be accomplished through various approaches. One approach which has been successful in other ports is a formal hiring system that would insure that men in the basic workforce have preference for available work.

Such a hiring system should provide essentially:

(1) registration of the workforce; (2) grouping of the workers according to the degree of their attachment to the industry in the past; (3) a means to eliminate surplus workers from the register; (4) a means to limit the intake of new workers to avoid returning to a surplus labor situation; and, (5) procedures to insure that men in the basic workforce are available when and where needed.

Through a standardized hiring system preference in employment can be given to men who work regularly in the industry. Only after a large number of the casual employees have been eliminated can measures to provide further job security to the basic workforce be introduced.



MANPOWER UTILIZATION

The minimum general cargo gang size, fixed by contract at 18 men (in addition to the foreman), does not require, in most instances, employment of men who have no duties to perform. Further, there is a high degree of flexibility in the assignment of men in terminal operations. The Port of New Orleans under current operating conditions, therefore, does not have major problems of manpower utilization. Certain other problems do exist, however, in gang operations for general cargo and for bulk handling of grain; and in the terminal there are problems of divided authority in both management and union structure.

Gang Operations: In general cargo operations the problems are concerned with the relationship of gang size to sling-load limitations, and flexibility in assignment of gangs and gangmen. These factors must be examined against the background of the commodities that are handled in the port. Normally, about one-third of export cargo on general cargo piers is baled cotton; and about one-third of import

cargo is made up of coffee, burlap, and rubber. These commodities generally are not handled on pallets. Moreover, the remaining two-thirds of general cargo operations include handling heavy lifts and long pieces, as well as direct handling between ship and barge and between ship and rail car. Thus, palletized general cargo comprises a much smaller proportion of total cargo handled in New Orleans than in some other ports, such as New York where about three-fourths of all general cargo is palletized.

Typically, the distribution of the 18-man general cargo gang is: three men on deck (a derrickman and two winchrunners), ten in the hatch, and five on the dock. The dockmen include two hookon men, two drivers of forklifts or tractors, and one pileman whose function is to direct the drivers to cargo on loading operations.

In actual practice, however, a 19-man gang is frequently employed to load palletized cargo. This was the normal practice at half the piers included in the study. With 19 men, the distribution of the gang changes. The pileman's function is eliminated and two holdmen are

added, thus making an even number of men working both sides of the hatch (six on each side) so that all holdmen can work in pairs to handle cargo. When cotton is loaded the gang is increased to 20 or 21 men, with 12 men in the hold and one or two men at the pile. The contract requires at least one pileman when cotton is being loaded.

With the high proportion of cotton exported, and the widespread practice of using 19 men on other cargo, a majority of general cargo loading is performed by gangs larger than the contractual minimum of 18 men.

In discharging operations much larger gangs are often used. Generally gangs of 25 to 27 men are employed to discharge coffee, other sack goods, and rubber. These additional men are used to stack the cargo at the pile. Although 18 and 19-man gangs are generally used for discharging palletized cargo, and in some cases for sack goods, this type of operation constitutes a relatively minor proportion of cargo being discharged. On the piers studied, slightly more than one-fourth of general cargo was discharged on pallets.



The contract provides exceptions to the 18-man minimum gang for certain operations, such as direct ship to barge, but in this port these operations are usually handled at a special location, not at the general cargo piers.

The contract requires that one waterboy be employed for every two gangs to provide ice water for the gangmen. He performs no other function. By contract, the employer also must hire two sack-sewers for each ship carrying a full cargo of sacks. In practice, however, employers frequently hire more than the minimum number of sack-sewers.

The manpower utilization problem in New Orleans does not grow out of the contractual requirement for a minimum 18-man gang. However, problems of under-utilization do exist. One of these problems arises from slingload limitations. The contract contains only one slingload limitation, restricting drafts to three bales of cotton. However, as a matter of practice, many other slingload restrictions exist throughout the port. In broad terms, these practices place a limit of about one ton on each draft, with the exception of certain commodities and certain handling

conditions. In other ports, observations in the study indicated that drafts of one and one-half to two tons were commonly handled.

These slingload limitations on some commodities, which lead to extra movements of the hook with accompanying delays in cargo handling, result in less efficient operations. In many instances, this causes under-utilization of men in the gang. Larger draft loads would eliminate the problem.

By and large, slingload limitations are something of the past in longshoring. With present boom capacity, improved handling methods, and safety code regulations, similar restrictions were not found in other ports in the study. The basic principle that slingloads must be safe and reasonable is accepted in all ports, but typical loads elsewhere are generally in excess of the New Orleans limitations.

In addition there is no uniformity from pier to pier in limitations on slingloads in New Orleans. The union, contending that the actions are taken for safety reasons, imposes

new restrictions in specific situations from time to time, even at times halting or requiring changes in operations that are in progress.

Slingload restrictions should be removed. It will be necessary, however, to provide some arrangement whereby the safety and reasonableness of the size of a draft may be determined without delay. Such determinations could be made in a manner similar to that used currently in the port by the "on-the-spot" disputes committee.

The foregoing highlights an additional need in labor relations in this port. The role of union delegates to enforce the contract is an accepted practice. In New Orleans, however, they have followed a practice of requiring changes in operations, not specified in the contract, to conform to the delegate's judgment of the work rules. Disputes of this character should be referred to the existing grievance procedures, or, in the alternative, could also be handled through "on-the-spot" machinery.

New Orleans has a considerable amount of flexibility in the assignment of gangmen. There are, however, two



restrictions which sometimes lead to under-utilization of the men. Both of them flow from the present hiring system in the port.

The first restriction relates to the wide range of manpower needs that result from the cargo mix characteristic of the port. Under present procedures there is only one hiring period and all men who will be needed up to 6 p.m. are hired at that time. If a larger gang size is needed for a certain commodity in a hatch, this determines the gang size for all commodities in that hatch, even for those which would normally require fewer men. Thus, even if cargo requiring a 27-man gang will not be reached until the afternoon hours, all 27 men must be hired in the morning. Extra men may, however, be dropped at the end of their four-hour guarantee period.

The second restriction limiting flexibility is the provision that, although men may be moved from one gang to another or from hatch to hatch or from ship to ship, they must remain with the same foreman. Unless two gangs are attached to the same foreman, as some still are, this prevents movement of men from gang to gang to adjust to

different cargo with different manpower requirements. With the range of cargo conditions in the port, this could be a serious handicap to full utilization of manpower. While present hiring procedures exist, however, there is strong reason to retain the restriction. In this port, with no seniority system, and no formal attachment of men to the company that employs them, the only measure of job security available to the gangmen is their attachment to the foreman who hires the gang. In effect, the men work for their foreman, not for a company. To the extent that they could be moved from his gang to another, they would lose contact with the source of their security in the industry.

A gang size problem does exist in New Orleans in the bulk handling of grain. By agreement between the parties grain gangs were reduced from 12 men to 10 men in the anticipation of the opening of new grain elevators with consequent new job opportunities. Manpower needs have continued to decline, however, particularly as new self-trimming vessels have been introduced. Operations on these vessels normally can utilize the services of only two men at each spout. In

this port usually only two, or occasionally three, spouts are in use at any one time. Thus, only four, or at most six, men can be utilized on self-trimming ships. In other ports in the study, where grain is handled, generally five or six men comprise the grain gang. Only one other port reported as many as ten men in the grain gang.

Terminal Operations: In the Port of New Orleans, cargo handling frequently involves two distinct terminal operations. One of these is the movement between a freight car and the floor of the shed, the second is between the floor of the shed and the place of rest. This double handling has developed because cargo moving into and out of the port, in great part, is transported by rail, and the railroad is responsible for delivery to the floor of the shed, and for loading rail cars from the floor of the shed. This work is within the jurisdiction of the ILA Dock Loaders and Unloaders Local (car unloaders) who are employed by car contractors for the railroad. These men are usually paid on a piece-rate basis, although for some commodities they



are paid on an hourly rate.

Movement of cargo within the terminal is handled by the terminal workforce—men who are employees of the stevedore or shipping company. They transfer cargo between the place of rest and the "floor" where it is deposited or picked up by the car unloaders. The labor agreement contains restrictions on the distance inside the shed that car unloaders may take cargo, and on the height of piles from which they work, and on the weight of the cargo and distance it may be carried. These restrictions exist primarily because of the piece-rate compensation of car unloaders, which would be reduced by any factors that would slow down cargo handling.

Not only may this division of functions result in double handling of cargo, but it creates a divided responsibility during the movement of cargo between ship and freight car. Consequently, both stevedore and car contractor tend to handle cargo in the way best suited to their needs, despite the effect on the efficiency of the total operation.

Another handicap to efficiency arises from the fact that car unloaders handle cargo "from the floor." This makes necessary the assignment of a terminal fork-lift operator to unstack pallets stored at the place of rest, or terminal labor to lower a pile to the level at which car unloaders can handle it. The reverse functions are necessary when cargo is received. Thus, the presence of two employers between the ship and the railroad car tends to inhibit concerted planning for overall efficient operation.

When cargo is transported to or from the terminal by truck, car unloaders usually are not involved. The trucks are unloaded in truck bays or in the shed by employees of the trucking company. Terminal employees perform all other handling of the cargo.

In general, the terminal workforce includes fork-lift drivers, general labor, sack-sewers, sweepers, and coopers, clerks and checkers, timekeepers, gearmen, and weighers. For the most part, men in these occupations are hired as needed, depending on the amount and type of

cargo to be handled. Further, there is broad flexibility in the assignment of terminal employees. Generally, a man may be assigned to any task within the jurisdiction of his local, and may be reassigned from one job to another within the guarantee period. Exceptions are the plan clerk and timekeeper, neither of whom, once assigned, may be transferred to other jobs.

No major manpower utilization problems in terminal operations were revealed by the study in New Orleans except for the problem of double handling previously discussed. There is a lack of clarity in the jurisdiction of the various locals involved in the terminal workforce. Because of this, questions of jurisdictional rights sometime arise. These may lead to problems in assignment and in full utilization of manpower. Both parties would benefit if jurisdictional conflicts could be eliminated. Even more important for improved manpower utilization, however, is the need to overcome the effects of divided management responsibility between car contractors and the stevedore in terminal operations.



JOB SECURITY

It has been noted earlier that the total annual hours of longshore employment in New Orleans has declined about 25 percent in the past seven years. This decrease in work has intensified the problems caused by the absence of job security in the port. It has strengthened the union's efforts to protect all existing jobs, to add provisions which may increase the number of jobs, and to establish a seniority system which would provide more job security for employees with greater length of service.

A most compelling need in this port is the stabilization of the industry workforce. It has been evident in the discussion of labor force characteristics, hiring procedures, and manpower utilization that most problems stem from the absence of any continuing attachment of men to their jobs. Some adjustment in the workforce is necessary, however, before any substantial job security can be developed. Completely casual workers, who are employed less than 100 hours a year, and average 19 hours of work annually, total about one-third of the men employed in the port. Clearly

job security could not be extended to men in this large casual group, and as long as this casual group continues to exist, job security for the remainder cannot be achieved. The parties could agree, however, upon steps to (1) define the basic workforce, and (2) insure that preference for available work is given to the regular employees in the industry.

Both parties should recognize that it will require time to establish a workable mutually satisfactory job security program. Agreement can be reached, however, on the basic principle and on measures necessary to develop it. As steps to increase job security are placed in effect, the union would have less need for, and hence could agree to eliminate some of the present restrictions on manpower utilization. For example, if men in the basic workforce were assured of job preference, restrictions on flexibility of assignments could be relaxed and slingload limitations could be removed. As casual workers are eliminated, a workforce more closely adjusted to actual port needs could be assured of more adequate work opportunities. At the same time, the efficiency of operations

could be improved and cargo-handling costs reduced as, with restrictions removed, more effective manpower utilization would be achieved.

#### CONCLUDING OBSERVATIONS

The impact of technology on manpower requirements in this industry, particularly as bulk handling of single commodities has been introduced, is well known to the parties in New Orleans. Little change, however, has occurred in general cargo operations up to the present time. The outlook for future technological advance in the industry has been reviewed in the first section of this report. This review highlighted principally the new trend toward unitized cargo, either pre-palletized or in containers.

New Orleans currently handles a negligible amount of unitized cargo. The general industry outlook indicates that the rate of increase in this type of cargo packaging probably will be gradual. Therefore, the parties are in an excellent position to plan for future changes. This



planning should recognize that, if unitized cargo is adopted generally in the industry, New Orleans must handle it or decline as a port. In the latter event, both parties would lose. Therefore, it is to the advantage of both sides to plan accommodation to the change, so that the port can retain its share of general cargo operations.

There are important implications for manpower needs if the proportion of unitized cargo increases to any significant extent. It has been observed that about 10 to 15 men are the maximum number needed in gangs for unitized cargo handling. This fact can be expected to create major problems of both manpower utilization and job security. If there is joint planning in advance to meet these anticipated problems, however, both sides can find means to adjust to them.

Other industries have faced technological change in recent years and have developed ways to work together to ease the impact on employees. These plans have generally involved union-management discussion in advance of changes on workforce requirements and preparations that should be

made for employee protection. Another approach has been the creation of permanent joint management-labor committees, such as the Human Relations Committees in the steel industry. These committees have provided a continuing forum for discussion of impending problems and for reaching agreement on measures to resolve them. Such a committee might be the instrument through which the parties in the longshore industry in New Orleans could overcome their problems.